United Nations A/58/481/Add.6

General Assembly

Distr.: General
15 December 2003
English
Original: Spanish

Fifty-eighth session
Agenda item 91 (g)

Macroeconomic policy questions: commodities

Report of the Second Committee*

Rapporteur: Mr. José Alberto **Briz Gutiérrez** (Guatemala)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 91 (g) (see A/58/481, para. 2). Action on sub-item (g) was taken at the 35th and 38th meetings, on 17 November and 12 December 2003. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/58/SR.35 and 38).

II. Consideration of draft resolutions A/C.2/58/L.38 and A/C.2/58/L.76

2. At the 35th meeting, on 17 November, the representative of Morocco, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Commodities" (A/C.2/58/L.38), which read:

> "*The General Assembly*,
>
> "*Recalling* its resolution 57/236 of 20 December 2002, and stressing the urgent need to ensure its full implementation,
>
> "*Recalling also* the United Nations Millennium Declaration, adopted by heads of State and Government on 8 September 2000,
>
> "*Taking note* of the relevant provisions of the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'),

* The report of the Committee on this item will be issued in seven parts, under the symbol A/58/481 and Add.1-6.

03-65733 (E) 171203

"*Taking note also* of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 and the *Least Developed Countries Report, 2002*,

"*Taking note further* of the Monterrey Consensus of the International Conference on Financing for Development,

"*Taking note* of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit and the outcome document of the World Food Summit: five years later, which reaffirms the pledge to end hunger,

"*Taking note also* of the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization, held at Doha from 9 to 13 November 2001,

"*Taking note further* of the report of the Trade and Development Board on its fiftieth session and the report of the Secretary-General of the United Nations Conference on Trade and Development on specific actions relating to the particular needs and problems of commodity-dependent developing countries,

"*Mindful* of the opportunity that the eleventh session of the United Nations Conference on Trade and Development, to take place in São Paulo, Brazil, in June 2004, will offer for further consideration of proposals to address commodity issues within the framework of the links between trade, investment and finance,

"1. *Endorses* the report of the Meeting of Eminent Persons on Commodity Issues and emphasizes the importance of implementing the recommendations contained therein;

"2. *Calls upon* donor Governments and organizations to increase their financial and technical support for activities aimed at addressing commodity issues, particularly the needs and problems of commodity-dependent developing countries, while taking into account the recommendations of the Eminent Persons on Commodity Issues;

"3. *Stresses* the importance of a speedy resumption and successful conclusion of the work programme adopted at the Fourth Ministerial Conference of the World Trade Organization, held at Doha, taking into account the special problems faced by commodity-dependent countries, in particular those related to agricultural subsidies;

"4. *Requests* the United Nations Conference on Trade and Development and the bodies and organs of the United Nations system to mainstream and accord high priority to programmes on commodities in their respective programmes of work and to undertake, within their respective mandates, such measures as are necessary to implement the recommendations of the report of the Meeting of Eminent Persons;

"5. *Invites* the United Nations Conference on Trade and Development to take steps to establish, by the fifty-ninth session of the General Assembly, an expert group on commodities to meet regularly and report to the Trade and Development Board and the General Assembly;

"6. *Also invites* non-governmental organizations, civil society and the private sector to initiate programmes of assistance and other innovative initiatives in support of commodity-dependent countries, taking into account the recommendations of the Eminent Persons;

"7. *Requests* the Secretary-General to transmit the report of the Meeting of Eminent Persons, as well as the summary of discussions in the Trade and Development Board and the Second Committee of the General Assembly, to relevant governing bodies in the United Nations system and international commodity bodies, highlighting the importance of finding lasting solutions to the problems faced by commodity-dependent countries in the pursuit of the Millennium Development Goals, and inviting them to inform the General Assembly of the results of their deliberations and actions in this respect;

"8. *Requests also* the Secretary-General of the United Nations Conference on Trade and Development to work with the Common Fund for Commodities, international financial institutions and other relevant bodies with a view to designing and implementing effective and sustainable systems of compensatory financing, taking into account the recommendations of the Eminent Persons;

"9. *Requests* donor countries and development partners to support the efforts of commodity-exporting countries to add value to their products, and calls for the elimination of tariff peaks, tariff escalation and trade-distorting subsidies affecting commodity-exporting developing countries;

"10. *Requests* the Secretary-General to undertake further open and transparent discussions with all relevant stakeholders on the creation of a new international export diversification fund to support commodity-dependent developing countries in their efforts to diversify, overcome supply-side constraints, strengthen institutions and build knowledge and technical capacity, taking into account the recommendations of the Eminent Persons;

"11. *Requests also* the United Nations Conference on Trade and Development, in cooperation with the United Nations Development Programme and other relevant bodies of the United Nations system, to explore the possibilities for a new partnership between Governments, private business, producers' and traders' associations, civil society and international organizations in the commodity area, taking into account the concept of corporate social responsibility, and to recommend concrete steps for the implementation of supportive initiatives at the eleventh session of the United Nations Conference on Trade and Development, in June 2004;

"12. *Calls upon* the United Nations Conference on Trade and Development and other relevant international organizations to strengthen, within a coherent programme with an effective division of labour, their capacity-building and technical cooperation activities in the fields of policy design and implementation, institution-building, management and utilization of commodity revenues, price risk management and improving supply capacities, including the ability to satisfy quality and other requirements for market entry, and to enhance activities aimed at the sharing of experiences, identification of best practices and South-South cooperation in the field of commodities,

including for dealing with oversupply situations. It also calls upon donor Governments and organizations to increase their financial support for these activities;

"13. *Calls upon also* the United Nations Conference on Trade and Development, the Common Fund for Commodities and all relevant international organizations to continue to analyse trends in commodities and their impact on development in commodity-dependent developing countries, particularly the link between the problems of commodity-exporting developing countries and debt relief measures with a view to exploring mechanisms that address such links in a systematic manner;

"14. *Calls* for the strengthening of the capacity of the United Nations Conference on Trade and Development, the Common Fund for Commodities and all relevant organizations to provide, and that of the developing countries to use, timely, accurate, comprehensive and user-friendly information and analysis;

"15. *Requests* the Department of Public Information to undertake such initiatives and activities as are necessary to keep the commodities issue a high priority of Governments, the international community, media, academia and all relevant stakeholders;

"16. *Requests* the Secretary-General to submit a report on the implementation of the present resolution to the Assembly at its fifty-ninth session."

3. At the 38th meeting, on 12 December, the Vice-Chairman of the Committee, Henri S. Raubenheimer (South Africa), introduced a draft resolution entitled "Commodities" (A/C.2/58/L.76), which he submitted on the basis of informal consultations held on draft resolution A/C.2/58/L.38.

4. At the same meeting, the representative of Italy orally corrected operative paragraph 10 of the draft resolution by adding the word "developing" after the words "commodity-dependent".

5. At the same meeting, the Committee adopted draft resolution A/C.2/58/L.76 (see para. 8).

6. After the adoption of the draft resolution, the representative of the United States of America made a statement (see A/C.2/58/SR.38).

7. In the light of the adoption of draft resolution A/C.2/58/L.76, draft resolution A/C.2/58/L.38 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Commodities

The General Assembly,

Recalling its resolution 57/236 of 20 December 2002, and stressing the urgent need to ensure its full implementation,

Recalling also the United Nations Millennium Declaration,[1] adopted by heads of State and Government on 8 September 2000,

Taking note of the Programme of Action for the Least Developed Countries for the Decade 2001-2010[2] and the *Least Developed Countries Report, 2002*,[3]

Taking note also of the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization, held at Doha from 9 to 13 November 2001,[4]

Taking note further of the Monterrey Consensus of the International Conference on Financing for Development,[5]

Taking note of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit[6] and the outcome document of the World Food Summit: five years later,[7] which reaffirms the pledge to end hunger,

Taking note also of the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[8]

Taking note further of the report of the Trade and Development Board on its fiftieth session[9] and the report of the Secretary-General of the United Nations Conference on Trade and Development on world commodity trends and prospects,[10] containing recommendations for specific actions relating to the particular needs and problems of commodity-dependent developing countries,

---

[1] See resolution 55/2.

[2] A/CONF.191/11.

[3] United Nations publication, Sales No. E.02.II.D.13.

[4] A/C.2/56/7, annex.

[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[6] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

[7] Ibid., *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.

[8] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[9] A/58/15 (Part V). For the final text, see *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 15* (A/58/15).

[10] A/57/381, annex.

Mindful of the opportunity that the eleventh session of the United Nations Conference on Trade and Development, to take place in São Paulo, Brazil, in June 2004, will offer for further consideration of proposals to address commodity issues within the framework of the links among trade, investment and finance,

Mindful also that, in 2004, the International Monetary Fund will review its role in assisting low-income countries over the medium term,

Taking note of the summary by the President of the General Assembly of the open-ended panel of the Assembly on commodities,[11]

1. *Takes note* of the report of the Meeting of Eminent Persons on Commodity Issues,[12] held at Geneva on 22 and 23 September 2003, and expresses appreciation for the work of the eminent persons;

2. *Emphasizes* the need for efforts by the developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

3. *Encourages* donor Governments and organizations to increase their financial and technical support for activities aimed at addressing commodity issues, in particular the needs and problems of commodity-dependent developing countries;

4. *Stresses* the importance of a speedy resumption and successful conclusion of the work programme adopted at the Fourth Ministerial Conference of the World Trade Organization, held at Doha from 9 to 13 November 2001, taking into account the needs of the commodity-dependent developing countries;

5. *Invites* the United Nations Conference on Trade and Development and other relevant bodies and organs of the United Nations system to continue to mainstream and accord high priority to programmes on commodity-related issues within their respective mandates;

6. *Welcomes* regular consideration by the Trade and Development Board of the United Nations Conference on Trade and Development of commodity issues;

7. *Invites* non-governmental organizations, civil society and the private sector to initiate programmes of assistance and other innovative initiatives in support of commodity-dependent developing countries;

8. *Notes* the relevance to appropriate governing bodies in the United Nations system and international commodity bodies of the report of the Meeting of Eminent Persons on Commodity Issues, as well as the summary of discussions in the Trade and Development Board and the Second Committee of the General Assembly, which highlight the importance of finding lasting solutions to the problems faced by commodity-dependent developing countries in their pursuit of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;[1]

9. *Urges* Governments and invites international financial institutions to continue to assess the effectiveness, including the operationalization and user-friendliness, of the systems for compensatory financing of export-earnings

[11] A/58/615, annex.
[12] A/58/401.

shortfalls, and in this regard stresses the importance of empowering developing-country commodity producers to insure themselves against risk, including natural disasters;

10. *Invites* donor countries and development partners to support the efforts of commodity-dependent developing countries to add value to their products, and reiterates the importance of making progress on the Doha work programme so as to ensure the sustainability of these efforts;

11. *Requests* the Secretary-General to undertake further open and transparent discussions with all relevant stakeholders on enhancing the impact of the set of existing instruments to support commodity-dependent developing countries in their efforts to diversify their exports, overcome supply-side constraints, strengthen institutions and build knowledge and technical capacity;

12. *Calls upon* the United Nations Conference on Trade and Development and invites other relevant bodies and organs of the United Nations system, as well as other relevant international organizations, to strengthen coherently and within their respective mandates their capacity-building and technical cooperation activities in the fields of policy design and implementation, institution-building, management and utilization of commodity revenues, management of price risk and improvement of supply capacities, including the ability to satisfy quality and other requirements for market entry, and to enhance activities aimed at South-South cooperation in the field of commodities, share experiences and identify best practices for dealing with oversupply situations;

13. *Invites* the United Nations Conference on Trade and Development and all relevant international organizations to continue to analyse trends in commodities and their impact on the development of commodity-dependent developing countries, including on debt sustainability;

14. *Invites* the United Nations Conference on Trade and Development, the Common Fund for Commodities and all other relevant organizations to provide useful, timely, accurate, comprehensive and user-friendly information and analysis on commodities and to enable the use of this information by commodity-dependent developing countries;

15. *Requests* the Department of Public Information of the Secretariat to undertake, within existing budgetary resources, initiatives and activities to raise awareness and keep the commodities issue a high priority of Governments, the international community, media, academia and all other relevant stakeholders;

16. *Requests* the Secretary-General to submit a report on the implementation of the present resolution to the General Assembly at its fifty-ninth session, taking into account the provisions of Assembly resolution 57/236.